

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1893 - SB 2078

January 28, 2016

SUMMARY OF BILL: Removes the requirement that the executive director of the Tennessee State Board of Accountancy be a certified public accountant (CPA) with an active certificate in this state. Revises educational requirements necessary to sit for the CPA exam. Requires CPAs to enroll in a board-approved peer review program. Establishes that working papers of a peer review program are confidential except that such work papers may be disclosed in an administrative hearing held by the Board.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Commerce and Insurance, there will be no significant impact to the Tennessee State Board of Accountancy.
- Removing the requirement that the executive director of the Board be a CPA with an active certificate in this state will not have a significant impact on the compensation structure for the executive director position.
- The proposed legislation will not have a significant impact on the number of applicants, or the number of certificates issued or renewed in this state. Therefore, any impact on the Board's fee revenue is considered to be not significant.
- Pursuant to Tenn. Code Ann. 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Tennessee State Board of Accountancy experienced a surplus of \$108,621 in FY13-14, a deficit of \$22,800 in FY14-15, and had a cumulative reserve balance of \$827,860 on June 30, 2015.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The various changes to the Tennessee Board of Accountancy as proposed by this legislation will have no significant impact upon businesses in this state.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb